

**LFC Requester:****Caroline Malone****AGENCY BILL ANALYSIS  
2016 REGULAR SESSION****WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:****[LFC@NMLEGIS.GOV](mailto:LFC@NMLEGIS.GOV)***and***[DFA@STATE.NM.US](mailto:DFA@STATE.NM.US)***{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}***SECTION I: GENERAL INFORMATION***{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}**Check all that apply:*Original ☒ Amendment ☐  
Correction ☐ Substitute ☐**Date** 01/22/2016**Bill No:** SB168**Sponsor:** Sen. Gerald Ortiz y Pino**Agency Code:** 305**Short Title:** MUNICIPAL LIFE  
INSURANCE BENEFITS  
TRUST**Person Writing** AAG James J. Torres**Phone:** 827-6047 **Email** jtorres@nmag.gov**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY16	FY17		

(Parenthesis ( ) Indicate Expenditure Decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY16	FY17	FY18		

(Parenthesis ( ) Indicate Expenditure Decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>						

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to:

N/A

**SECTION III: NARRATIVE**

**BILL SUMMARY**

This analysis is neither a formal Attorney General's Opinion nor an Attorney General's Advisory Letter. This is a staff analysis in response to an agency's, committee's, or legislator's request.

**Synopsis:**

SB 168 authorizes a municipality to establish a post-employment life insurance benefits trust. Such a trust may be established, maintained and used by a municipal treasurer, who shall serve as trustee, with the advice and consent of a municipal board of finance. Contributions to the trust are irrevocable, may only be used for funding "post-retirement" life insurance benefits, and must be invested pursuant to the Uniform Prudent Investor Act.

**FISCAL IMPLICATIONS**

N/A

**SIGNIFICANT ISSUES**

Subsection A of the bill states that a municipal treasurer may establish, use, and maintain a trust with the "advice and consent" of the municipal board of finance. It may be helpful to more clearly define the scope of influence and power of the municipal board of finance with regard to a trust.

Subsection B uses the term "*post-retirement*", whereas the rest of the bill uses the term "*post-employment*." Amendment may be considered in order to create uniformity and clarity.

**PERFORMANCE IMPLICATIONS**

N/A

**ADMINISTRATIVE IMPLICATIONS**

N/A

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

N/A

**TECHNICAL ISSUES**

N/A

**OTHER SUBSTANTIVE ISSUES**

N/A

**ALTERNATIVES**

N/A

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Status Quo.

**AMENDMENTS**

Amend Subsection B, Line 25 to state the following: “exclusively to funding post-employment life insurance benefits”.